

**DEPARTMENT OF STATE REVENUE**

**LETTER OF FINDINGS NUMBER: 01-0228P**

**Use Tax**

**Calendar Years 1996, 1997, and 1998**

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**ISSUE(S)**

I. **Tax Administration** – Penalty

**Authority:** IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

**STATEMENT OF FACTS**

Taxpayer protests the penalty assessed on an audit completed on July 25, 2001.

Taxpayer maintains its headquarters out of state and has a manufacturing facility in Indiana. Taxpayer failed to self-assess use tax on clearly taxable fixed asset and general expense purchases such as computers, printers, lighting, racks, sprinklers, tables, an electric welder used in maintenance, forklifts, limestone materials, fans, storage units, a telephone system, office supplies, and other miscellaneous items.

1. **Tax Administration** – Penalty

**DISCUSSION**

Taxpayer's audit revealed that it failed to self assess use tax for a majority of its general expenses and fixed assets purchases.

Taxpayer requests a waiver of penalties because it makes every attempt to file its returns timely and accurately. Taxpayer has made changes to assure that it is in compliance in the future and maintains that it has substantially complied with the Indiana Statutes and Rules.

Taxpayer failed to self assess use tax on clearly taxable fixed asset and general expense purchases. Taxpayer failed to remit ninety-five percent (95%), ninety-four percent (94%), and ninety-nine percent (99%) of its use tax in calendar years 1997, 1998, and 1999, respectively. The issues addressed are clearly outlined in the Indiana Code and Regulations.

The taxpayer was negligent in failing to self-assess and remit use tax on clearly taxable fixed assets and general expense purchases and has not shown reasonable cause for failing to do so.

**FINDING**

Taxpayer's protest is denied.

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